

**Successor Agency to the
Chula Vista Redevelopment Agency**
Chula Vista, California

*Independent Accountant's Report on
Applying Agreed-Upon Procedures relating to
the Due Diligence Review in accordance with AB 1484
applied to Low and Moderate Income Housing Fund*

For the year ended June 30, 2012

Successor Agency to the Chula Vista Redevelopment Agency

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the
Successor Agency to the Chula Vista Redevelopment Agency
Chula Vista, California

We have performed the required agreed-upon procedures ("AUP") enumerated in Attachment A, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to assist the Oversight Board of the Successor Agency to the Chula Vista Redevelopment Agency ("Successor Agency") that the dissolved redevelopment agency ("Agency") of the City of Chula Vista, California ("City") is complying with its statutory requirements with respect to Assembly Bill ("AB") 1484. Management of the City is responsible for the accounting records pertaining to statutory compliance pursuant to California Health and Safety Code section 34179.5(c)(1) through 34179.5(c)(6).

These procedures only applied to the Low and Moderate Income Housing Fund, not the Successor Agency to the Chula Vista Redevelopment Agency as a whole.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the financial information summarized in Exhibits, as listed in the table of contents. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, the Agency, the City, the California State Controller's Office and the California State Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Pun & McGEADY LLP

San Diego, California
September 27, 2012

ATTACHMENT A - AGREED-UPON PROCEDURES AND RESULTS

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Procedures Performed:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Results:

See Exhibit A for the Low and Moderate Income Housing Asset Listing as of January 31, 2012.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedures Performed:

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results:

See Exhibit B for the transfers list to the city that formed the redevelopment agency for the period from January 1, 2011 through June 30, 2012. Reviewed the Housing Assets Transfer Form (Exhibit C) certified by housing staff on July 30, 2012 for the period from January 1, 2011 through June 30, 2012 and a letter from the Department of Finance (DOF) dated September 5, 2012 (Exhibit D) and noted no assets transferred from the Low and Moderate Income Housing Fund to the City and DOF is not objecting to any assets or transfers of assets identified on the form.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedures Performed:

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results:

There were no transfers from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through June 30, 2012. Therefore, these procedures are not applicable.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Procedures Performed:

4. Perform the following procedures:
 - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
 - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
 - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
 - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Results:

Because these procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures will be addressed in the report that is due on December 15, 2012.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012

Procedures Performed:

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Results:

We noted in our review that cash and investments in the amount of \$10,570,288 were transferred from the Agency to the Successor Agency in February 2012.

See Exhibit E for the Low and Moderate Income Housing Asset Listing as of June 30, 2012.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Procedures Performed:

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
 - A. Unspent bond proceeds:
 1. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
 2. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 3. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Results:

There were no unspent bond proceeds at June 30, 2012. Therefore, these procedures are not applicable.

- B. Grant proceeds and program income that are restricted by third parties:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Results:

There were no grant proceeds and program income that are restricted by third parties at June 30, 2012. Therefore, these procedures are not applicable.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Results:

At June 30, 2012, cash and investments were restricted for Landings II in the amount of \$4,000,000. We reviewed the Permanent Financing Loan Agreement (Redevelopment Agency Low Mod Amortizing Loan) made by the Redevelopment Agency of the City of Chula Vista, and Landings II, L.P., a California limited partnership, and noted language restricting the use of the balances.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Results:

See Exhibit F for a listing of asset balances held on June 30, 2012 that are considered to be legally restricted.

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Procedures Performed:

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

Results:

There are no assets as of June 30, 2012 that are not liquid or otherwise available for distribution. Therefore, these procedures are not applicable.

- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

Results:

There are no assets as of June 30, 2012 that are not liquid or otherwise available for distribution. Therefore, these procedures are not applicable.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Results:

There are no assets as of June 30, 2012 that are not liquid or otherwise available for distribution. Therefore, these procedures are not applicable.

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Results:

There are no assets as of June 30, 2012 that are not liquid or otherwise available for distribution. Therefore, these procedures are not applicable.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Procedures Performed:

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
 - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attached as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Results:

Reviewed Recognized Obligation Payment Schedules (ROPS) for periods of July 1, 2012 to December 31, 2012 and January 1, 2013 to June 30, 2013 and noted enforceable obligations to be satisfied by cash and investments in the Redevelopment Obligation Retirement Fund.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Results:

The Successor Agency does not believe that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results:

The Successor Agency does not believe that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Results:

Since procedures A, B, or C were not performed, this procedure is not applicable.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Procedures Performed:

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Results:

Reviewed Recognized Obligation Payment Schedules (ROPS) for periods of July 1, 2012 to December 31, 2012 and January 1, 2013 to June 30, 2013 and noted enforceable obligations to be satisfied by cash and investments in the Redevelopment Obligation Retirement Fund.

See Exhibit G for schedule identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation, (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation, and (3) exceptions noted.

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Procedures Performed:

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Results:

See Exhibit H for schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

Management Representation Letter

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Results:

See Exhibit I for Management Representation Letter.

EXHIBITS

Exhibit A – Low and Moderate Income Housing Asset Listing as of January 31, 2012

Exhibit B – Transfers list to the city that formed the redevelopment agency
for the period from January 1, 2011 through June 30, 2012

Exhibit C – Housing Assets Transfer Form

Exhibit D – Department of Finance’s Review of the Housing Assets Transfer Form

Exhibit E – Low and Moderate Income Housing Asset Listing as of June 30, 2012

Exhibit F – Restricted Asset Balance Listing

Exhibit G – Balances Needed to Satisfy ROPS

Exhibit H – Summary of Balances Available for Allocation

Exhibit I – Management Representation Letter

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012**

EXHIBIT A

Low and Moderate Income Housing Asset Listing as of January 31, 2012

	Low and Moderate Income Housing Fund
<hr/>	
ASSETS	
Cash and investments	\$ 10,570,288
Interest receivable	12,211
Loans receivable	20,664,325
Advances to other funds	5,064,092
Restricted cash and investments	639,024
Capital assets	122,569
	<hr/>
Total assets	<u>\$ 37,072,509</u>

Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012

EXHIBIT A (CONTINUED)
Low and Moderate Income Housing Asset Listing as of January 31, 2012

	Beginning Balance	Additions	Reductions	Ending Balance
LOANS RECEIVABLE				
LT Rec Orange Tree Mobl Home	\$ 55,952	\$ -	\$ -	\$ 55,952
LT Rec Civ Ctr Barrio Housing	204,531	-	3,825	200,706
LT Rec Chip	1,229,831	-	93,228	1,136,603
LT Rec A I Chip	153,076	4,350	19,457	137,969
LT REC So Bay Comm Services	887,995	-	-	887,995
LT REC A I SBCS	306,811	16,266	-	323,077
LT REC St Regis Park	1,387,152	-	-	1,387,152
LT REC Acc Int St Regis Park	917,415	48,797	-	966,212
LT Rec So Bay Comm Villas L P	4,400,000	-	-	4,400,000
LT Rec A I SBC Villas L P	1,261,710	77,392	-	1,339,102
LT Rec Main Plaza LP	1,500,000	-	-	1,500,000
LT Rec A I Main Plaza LP	292,479	26,384	-	318,863
LT REC Rancho Vista Housing	1,000,000	-	-	1,000,000
LT REC A I Rancho Vista Housing	192,658	17,589	-	210,247
LT REC WAKELAND	5,680,000	-	-	5,680,000
LT Rec A I Wakeland	953,937	166,510	-	1,120,447
Total loans receivable	<u>\$ 20,423,547</u>	<u>\$ -</u>	<u>\$ 116,510</u>	<u>\$ 20,664,325</u>
ADVANCES TO OTHER FUNDS				
Cash Advances Receivable	\$ 2,202,044	\$ -	\$ 2,202,044	\$ -
Advances to Other Funds				
BF/TCI LOANS FR LOW & MOD	1,615,686	-	-	1,615,686
TCII LOANS FR LOW & MOD	556,539	-	-	556,539
OTAY VALLEY LOANS FR LOW & MOD	841,559	-	-	841,559
SOUTHWEST LOANS FR LOW & MOD	1,258,566	-	-	1,258,566
MERGED LOANS FR LOW & MOD	744,957	-	-	744,957
Accr Int on Adv RDA BF TC I	9,476	5,570	-	15,046
Accr Int on Adv RDA TCII	3,276	1,919	-	5,195
Accr Int on Adv Otay Valley	4,950	2,901	-	7,851
Interest Recble SW Proj Area	7,402	4,339	-	11,741
Interest Receivable (on Merged Loan)	4,386	2,568	-	6,954
Total advances to other funds	<u>\$ 7,248,841</u>	<u>\$ 17,297</u>	<u>\$ 2,202,044</u>	<u>\$ 5,064,094</u>

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

EXHIBIT A (CONCLUDED)

Low and Moderate Income Housing Asset Listing as of January 31, 2012

	<u>In-Service Date</u>	<u>Purchase Amount</u>
CAPITAL ASSETS		
Orange Tree Mobile Home Park 37	11/01/87	\$ 31,096
Orange Tree Mobile Home Park 134	11/01/87	30,576
Orange Tree Mobile Home Park 101	11/01/87	30,576
Orange Tree Mobile Home Park 106	11/01/87	30,321
Total capital assets		<u>\$ 122,569</u>

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

EXHIBIT B

**Transfers list to the city that formed the redevelopment agency
for the period from January 1, 2011 through January 31, 2012**

	Housing Successor Agency Fund
<hr/>	
ASSETS	
Interest receivable	\$ 12,211
Loans receivable	20,664,325
Advances to other funds	5,064,092
Restricted cash and investments	639,024
Capital assets	122,569
	<hr/>
Total assets	<u><u>\$ 26,502,221</u></u>

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT B (CONTINUED)
Transfers list to the city that formed the redevelopment agency
for the period from January 1, 2011 through January 31, 2012**

	Beginning Balance	Additions	Reductions	Ending Balance
LOANS RECEIVABLE				
LT Rec Orange Tree Mobl Home	\$ 55,952	\$ -	\$ -	\$ 55,952
LT Rec Civ Ctr Barrio Housing	204,531	-	3,825	200,706
LT Rec Chip	1,229,831	-	93,228	1,136,603
LT Rec A I Chip	153,076	4,350	19,457	137,969
LT REC So Bay Comm Services	887,995	-	-	887,995
LT REC A I SBCS	306,811	16,266	-	323,077
LT REC St Regis Park	1,387,152	-	-	1,387,152
LT REC Acc Int St Regis Park	917,415	48,797	-	966,212
LT Rec So Bay Comm Villas L P	4,400,000	-	-	4,400,000
LT Rec A I SBC Villas L P	1,261,710	77,392	-	1,339,102
LT Rec Main Plaza LP	1,500,000	-	-	1,500,000
LT Rec A I Main Plaza LP	292,479	26,384	-	318,863
LT REC Rancho Vista Housing	1,000,000	-	-	1,000,000
LT REC A I Rancho Vista Housing	192,658	17,589	-	210,247
LT REC WAKELAND	5,680,000	-	-	5,680,000
LT Rec A I Wakeland	953,937	166,510	-	1,120,447
Total loans receivable	<u>\$ 20,423,547</u>	<u>\$ -</u>	<u>\$ 116,510</u>	<u>\$ 20,664,325</u>
ADVANCES TO OTHER FUNDS				
Cash Advances Receivable	\$ 2,202,044	\$ -	\$ 2,202,044	\$ -
Advances to Other Funds				
BF/TCI LOANS FR LOW & MOD	1,615,686	-	-	1,615,686
TCII LOANS FR LOW & MOD	556,539	-	-	556,539
OTAY VALLEY LOANS FR LOW & MOD	841,559	-	-	841,559
SOUTHWEST LOANS FR LOW & MOD	1,258,566	-	-	1,258,566
MERGED LOANS FR LOW & MOD	744,957	-	-	744,957
Accr Int on Adv RDA BF TC I	9,476	5,570	-	15,046
Accr Int on Adv RDA TCII	3,276	1,919	-	5,195
Accr Int on Adv Otay Valley	4,950	2,901	-	7,851
Interest Recble SW Proj Area	7,402	4,339	-	11,741
Interest Receivable (on Merged Loan)	4,386	2,568	-	6,954
Total advances to other funds	<u>\$ 7,248,841</u>	<u>\$ 17,297</u>	<u>\$ 2,202,044</u>	<u>\$ 5,064,094</u>

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

EXHIBIT B (CONCLUDED)

**Transfers list to the city that formed the redevelopment agency
for the period from January 1, 2011 through January 31, 2012**

	<u>In-Service Date</u>	<u>Purchase Amount</u>
CAPITAL ASSETS		
Orange Tree Mobile Home Park 37	11/01/87	\$ 31,096
Orange Tree Mobile Home Park 134	11/01/87	30,576
Orange Tree Mobile Home Park 101	11/01/87	30,576
Orange Tree Mobile Home Park 106	11/01/87	30,321
Total capital assets		<u>\$ 122,569</u>

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT C
Housing Assets Transfer Form**

**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Redevelopment Agency of the City Of Chula Vista

Successor Agency to the Former
Redevelopment Agency: City of Chula Vista

Entity Assuming the Housing Functions
of the former Redevelopment Agency: Chula Vista Housing Authority

Entity Assuming the Housing Functions
Contact Name: Amanda Mills Title Housing Manager Phone 616-409-5948 E-Mail Address amills@chulavistaca.gov

Entity Assuming the Housing Functions
Contact Name: _____ Title _____ Phone _____ E-Mail Address _____

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list.
The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	<input checked="" type="checkbox"/>
Exhibit B- Personal Property	<input type="checkbox"/>
Exhibit C - Low-Mod Encumbrances	<input type="checkbox"/>
Exhibit D - Loans/Grants Receivables	<input checked="" type="checkbox"/>
Exhibit E - Rents/Operations	<input checked="" type="checkbox"/>
Exhibit F- Rents	<input type="checkbox"/>
Exhibit G - Deferrals	<input checked="" type="checkbox"/>

Prepared By: Amanda Mills & Donna Apar

Date Prepared: 7/30/2012

City of Chula Vista
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	SERAF	10	\$4,160,694	adjustable	4,213,779.15	by 5/15
2	SERAF	11	\$856,613	adjustable	862,518.26	by 5/16
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Exhibit E - Rents/Operations

City of Chula Vista
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	Space rent	mobilehome space	Successor Housing Agency	Property Manager	Successor Housing Agency	Low/Mod	Yes		
2	Investment Earnings	Operating Cash	Successor Housing Agency	Successor Housing Agency	Successor Housing Agency	Low/Mod	Yes		
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4									
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City of Chula Vista
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?		Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Loan	\$55,952	December 1987 & February 1988	various homeowners*	Orange Tree Mobile Home	Yes		various	0%	42,382.00
2	Loan	\$350,000	6/19/1991	Civic Center Barrio	Park Village	Yes		8/1/2033	3%	197,932.70
3	Loan	various	various	various homeowners*	Rehab Loans	Yes		various	various	1,276,574.74
4	Loan	\$4,400,000	12/6/2001	South Bay Community Villas LP	Heritage Town Center	Yes		12/31/2058	3%	5,793,709.59
5	Loan	\$1,387,152	6/1/2000	St Regis LP	St Regis	Yes		6/28/2053	6%	2,387,795.64
6	Loan	\$1,500,000	3/12/2003	Brisa del Mar LP	Main Plaza	Yes		9/16/2060	3%	1,837,479.46
7	Loan	\$1,000,000	10/16/2003	Rancho Buena Vista LP	Rancho Buena Vista	Yes		1/1/2060	3%	1,222,657.55
8	Loan	\$5,680,000	2/7/2008	Los Vecinos LP	Los Vecinos	Yes		4/15/2064	5%	6,917,936.98
9	Loan	\$478,280	9/12/1997	Corova Village LP	Cordova Village	Yes		8/17/2053	3%	649,533.23
10	Loan	\$373,000	12/7/1999	South Bay Community Services	Trolley Trestle	Yes		12/1/2055	3%	506,251.88
11	Loan	\$51,100	11/10/1998	South Bay Community Services	Concord	Yes		11/10/2028	6%	66,764.30
12	Loan	\$4,000,000	7/26/2012	Landings II LP	Landings II	Yes		8/1/2037	3.6%	\$4,000,000
13										
14										
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* Names of private parties are on record with the Housing Successor

City of Chula Vista
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Mobile home sites	Orange Tree Mobile Home Park sites	\$639,024	various	100%	Yes		1-Feb-12	\$600,000			1-Nov-87	own title
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a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

EXHIBIT D

Department of Finance's Review of the Housing Assets Transfer Form



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

September 5, 2012

Ms. Amanda Mills, Housing Manager
Chula Vista Housing Authority
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

Dear Ms. Mills:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Chula Vista submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 30, 2012 for the period February 1, 2012 through July 30, 2012.

Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is not objecting to any assets or transfers of assets identified on your Form.

Please direct inquiries to Nichelle Thomas or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Tracy Sandoval, Assistant Chief Financial Officer/Auditor and Controller, San Diego County
Mr. Juan Perez, Manager, Property Tax Services, San Diego County
Ms. Nenita DeJesus, Senior Auditor and Controller Accountatn, San Diego County
California State Controller's Office

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT E
Low and Moderate Income Housing Asset Listing as of June 30, 2012**

	Redevelopment Obligation Retirement Fund
ASSETS	
Cash and investments	\$ 10,559,597
Total assets	\$ 10,559,597

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT F
Restricted Assets Balance Listing**

	Redevelopment Obligation Retirement Fund
RESTRICTED ASSETS	
Cash and investments	\$ 4,000,000
Total restricted assets	\$ 4,000,000

	Amount	Payee	Description
Cash and Investments			
Landings II	\$ 4,000,000	Landings II LP	Affordable Housing Loan
	\$ 4,000,000		

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012**

**EXHIBIT G
Balances Needed to Satisfy ROPS**

	Balances Needed	Balances Supported	Support Reviewed
Affordable Housing Compliance Monitoring			
Successor agency explanation: To provide residual receipt monitoring review pursuant to CA H&S 33418.	\$ 10,000	\$ 10,000	Service contract.
Affordable Housing Compliance Monitoring			
Successor agency explanation: Software License Agreement for Aff Hsng Monitoring pursuant to CA H&S Code 33418	20,500	20,500	Service contract.
Copier Maintenance			
Successor agency explanation: Section 34171(d)(1)(F). Copier maintenance, quarterly.	2,812	2,006	Purchase orders and account codes.
Copier Lease			
Successor agency explanation: Section 34171(d)(1)(F). Copier Lease	6,040	4,316	Purchase orders and account codes.
Office Supplies			
Successor agency explanation: Section 34171(d)(1)(F). Office supplies and copy paper.	2,564	1,420	Purchase orders and account codes.
Storage/ Archive			
Successor agency explanation: Section 34171(d)(1)(F). Document Destruction & Shredding	250	125	Purchase orders and account codes.
P44354 Printing & Binding			
Successor agency explanation: Section 34171(d)(1)(F). Print Services per City Council Reso.2008-094.	1,500	750	Purchase orders and account codes.
Water Filtering System			
Successor agency explanation: Section 34171(d)(1)(F). Water filtering system.	578	289	Purchase orders and account codes.
Balances needed to satisfy ROPS	<u>\$ 44,244</u>	<u>\$ 39,406</u>	

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012**

**EXHIBIT H
Summary of Balances Available for Allocation**

Total amount of assets held by the Successor Agency as of June 30, 2012	\$ 10,559,597
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments.	(4,000,000)
Less assets that are not cash or cash equivalents (i.e. physical assets)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations)	-
Less balances needed to satisfy ROPS for the current fiscal year	(39,406)
Add the amount of any assets transferred to the city for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist	-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	<u>(5,529,373)</u>
Amount to be remitted to county for disbursement to taxing entities	<u><u>\$ 990,818</u></u>

Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.

NOTES: For each line shown above, an Exhibit is attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT I
Management Representation Letter**



Finance Department

Pun & McGeedy LLP
6265 Greenwich Drive, Suite 220
San Diego, California 92122

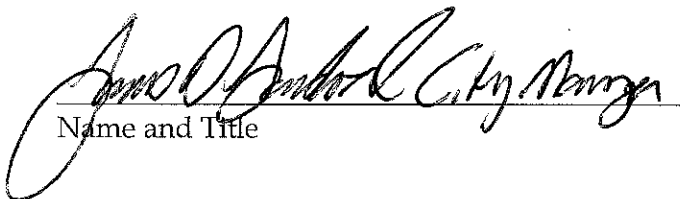
In connection with your engagement to apply agreed-upon procedures relating to the Low and Moderate Income Housing Fund Due Diligence Review as of June 30, 2012, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to assist the Oversight Board of the Successor Agency to the Chula Vista Redevelopment Agency that our dissolved redevelopment agency is complying with its statutory requirements with respect to Assembly Bill ("AB") 1484 and we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. The City of Chula Vista is responsible for compliance with California Health and Safety Code (HSC) Section 34179.5.
2. We are responsible for adherence to the requirements of AB 1484 as applicable to the successor agency and the sponsoring organization of the dissolved redevelopment agency.
3. We are responsible for the presentation of the exhibits in the low and Moderate Income Housing Fund Due Diligence agreed-upon procedures report in accordance with the California Health and Safety Code (HSC) Section 34179.5
4. As of June 30, 2012, we are not aware of any modifications that need to be made to the Low and Moderate Income Housing Fund Due Diligence Review exhibits for them to be presented in accordance with California Health and Safety Code Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179.5(c)(6).
5. The City of Chula Vista approves the acceptability of the procedures that have been developed by the California Department of Finance in accordance with California Health and Safety Code (HSC) Section 34179.5.
6. We have disclosed to you any known matters contradicting the information contained in the Low and Moderate Income Housing Fund Due Diligence Review AUP report.
7. There have been no communications from regulatory agencies, internal auditors, and other independent practitioners or consultants relating to Low and Moderate Income Housing Fund Due Diligence Review, including communications received between June 30, 2012 and September 27, 2012.

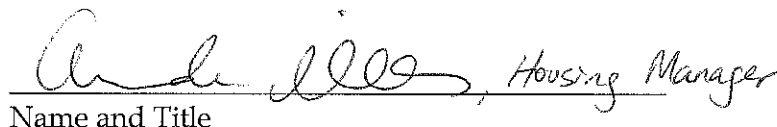
8. We have made available to you all information that we believe is relevant to Low and Moderate Income Housing Fund Due Diligence Review.
9. We have responded fully to all inquiries made to us by you during the engagement.
10. No events have occurred subsequent to June 30, 2012 that would require adjustment to or modification of the information contained in the Low and Moderate Income Housing Fund Due Diligence Review AUP report and its related exhibits.
11. Management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits.
12. Your report is intended solely for the information and use of the City of Chula Vista, the California Department of Finance, the California State Controller's Office, and the County of San Diego's Auditor-Controller's Office and is not intended to be and should not be used by anyone other than those specified parties.

To the best of our knowledge and belief, no events have occurred subsequent to the date of your report that would have a significant impact upon the agreed upon procedures that you performed.

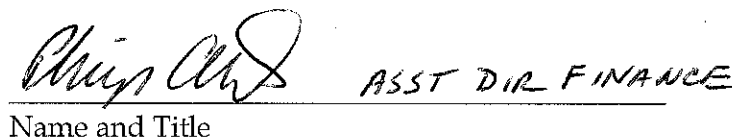
City of Chula Vista, as the sponsoring organization and as representatives of the Successor Agency to the Chula Vista Redevelopment Agency:


Name and Title

9/27/12
Date


Name and Title

9-27-12
Date


Name and Title

9-27-12
Date